

Notice No.: 93-014

Date: June 25, 1993

Applies to: PERS, TRS, and LEOFF Employers

Subject: Service credit earned while serving as an elected official of a labor organization

An employee who takes leave to serve as an elected official of a labor organization may be eligible for retirement service credit for the period of leave, if specific qualifications are met. These service credit provisions were enacted by the 1993 Legislature as ESHB 1670, Chapter 95, Laws of 1993.

Who Qualifies?

The law covers both Plan 1 and Plan 2 members of the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the Law Enforcement Officers' and Firefighters' (LEOFF) Retirement System. The following qualifications must be met before the member is eligible for service credit.

- The employee is serving in an elected position with the labor organization; non-elected positions are not covered by the law.
- The employee continues to receive compensation from his/her PERS, TRS, or LEOFF employer; the labor organization reimburses the employer for the amount of the employee's compensation.
- The collective bargaining agreement between the employer and the labor organization authorizes such a paid leave of absence and provides that the member will retain seniority rights with the employer for the period of leave.
- The compensation reported to the retirement system for the member who is on such a leave is not greater than the salary paid to the highest paid job class covered by the collective bargaining agreement.

When these four qualifications are met, the employee is considered to be on authorized,

paid leave and is eligible to receive service credit.

How Should These Members Be Reported?

Members who qualify for service credit while serving as a labor organization elected official should be reported on the monthly transmittal report. When the employee qualifies for service credit by meeting the four conditions listed on page one of this Notice, he or she is considered to be on authorized, *paid leave*. Report the employee's compensation, contributions, and hours or days of service with status code A.

The legislation became effective May 17, 1993, and also has certain retroactive provisions. If you have an employee who is covered by this legislation, begin current reporting for that employee on your next transmittal report.

What Retroactive Reporting Is Required?

TRS Members

A TRS member who meets the qualifications detailed on page one of this Notice, but who was not reported because of laws passed in 1992, may be reported retroactively as far back as January 1, 1992. Use status code A to report the member for each applicable month, reporting compensation, contributions, and hours or days of service. The employer is responsible for forwarding to DRS both the member and employer contributions. DRS will treat the member contributions as tax-deferred. No interest will be charged for reporting retroactive periods.

PERS and LEOFF Members

PERS and LEOFF members can be granted service credit retroactively only if they met the qualifications detailed on page one of this Notice and if they had compensation reported to DRS for those periods. If a PERS or LEOFF member employed by you met these qualifications but no compensation was reported, no service credit is earned and no retroactive reporting is allowed.

Questions?

If you have questions regarding service credit for labor organization elected officials, you may contact DRS Membership Services at (206) 753-3109, SCAN 234-3109. Questions about how to prepare your transmittal report may be directed to the DRS Employer Relations Unit, (206) 753-8696, SCAN 234-8696.

Sheryl Wilson
Director